

The complaint

Mrs B complains that Prepay Technologies Ltd failed to sufficiently intervene causing her to fall victim to an authorised push payment (APP) employment scam or recover her funds after it occurred.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mrs B fell victim to a fake job scam after she was contacted by a scammer. She says she was told she would be paid for completing a number of tasks, but she would also have to pay in funds to the task platform to unlock more tasks and receive payment. Mrs B subsequently discovered that she'd fallen victim to a scam when asked by the scammer for additional payments for tax.

Mrs B's relevant transaction history is as follows:

Transaction	Date	Type of Transaction	Amount
1	13 April 2024	Push to card payment to beneficiary 1	£65.00
2	14 April 2024	Push to card payment to beneficiary 2	£262.81
3	14 April 2024	Push to card payment to beneficiary 2	£674.83
4	14 April 2024	Push to card payment to beneficiary 2	£1,882.47
5	17 April 2024	Push to card payment to beneficiary 3	£1,034.00
6	18 April 2024	Push to card payment to beneficiary 4	£1,000.00
7	18 April 2024	Push to card payment to beneficiary 4	£1,000.00

Our Investigator didn't uphold the complaint as he did not consider that the value or frequency of the payments should have been of concern to Prepay Technologies Ltd. As our Investigator couldn't resolve the matter informally the case has been passed to me for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to

do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mrs B has been the victim of a scam here – she has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean she is automatically entitled to recompense by Prepay Technologies. It would only be fair for me to tell Prepay Technologies to reimburse Mrs B for her loss (or a proportion of it) if: I thought Prepay Technologies reasonably ought to have prevented all (or some of) the payments Mrs B made, or Prepay Technologies hindered the recovery of the payments Mrs B made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I have kept in mind that Mrs B made the payments herself and the starting position is that Prepay Technologies should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. I appreciate that Mrs B did not intend for her money to ultimately go to a scammer – but she did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Prepay Technologies should fairly and reasonably:

- Have been monitoring accounts to counter various risks, including preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, take additional steps, or make additional checks, before processing a payment, or in some cases decline it altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

So, I've thought about whether the transactions should have highlighted to Prepay Technologies that Mrs B might be at a heightened risk of financial harm due to fraud or a scam.

I've noted the payments were made to a money remittance service, which is usually used to facilitate payments in a different currency and sent to another country. It's therefore not unusual for individuals to send funds to money remittance services with the intention of completing international transfers. So, I do not think Mrs B using the service this way, in isolation of any other red flags, should have caused Prepay Technologies any concern.

I'm also not persuaded the nature of the payments, when considering the values of them and that they occurred over six days, alongside Mrs B's prior account usage, ought to have caused Prepay Technologies any concern either. On 14 April three transactions occurred, which in certain situations could be an indication that someone is being scammed. However, given the value of these payments, and the fact they were not made in quick succession, I don't think intervention was merited. Ultimately, I do not consider enough of a pattern formed

here to suggest Mrs B might be at a heightened risk of financial harm due to fraud or a scam.

Therefore, I don't consider Prepay Technologies acted unreasonably in executing Mrs B's authorised instruction to make the payments.

Recovery

The only method of recovery Prepay Technologies had for these payments was to request a chargeback. However, Mrs B didn't make the payments to the scammer directly, but via a money remittance provider. The service provided by the money remittance provider would have been to facilitate conversion of Mrs B's payments into the chosen fiat currency and then send the funds to her selected destination. The fact that this service occurred because of a scam doesn't give rise to a valid chargeback claim. Ultimately, the money remittance provider provided the requested service to Mrs B. So, Prepay Technologies could not have taken any further action here.

So, in light of all of the above findings, there's no fair and reasonable basis under which I can ask Prepay Technologies Ltd to reimburse Mrs B's loss.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 20 June 2025.

Lawrence Keath
Ombudsman